

## New 1605(b) Case Study #2

### **White River Carbon Offset Project**

Project Type: Afforestation (previous land use – agricultural)  
Size: 1,100 acres  
Projected CO<sub>2</sub>e: 495,000 tons (basis - Lower Mississippi Alluvial Valley data)  
Year(s) Planted: 2003  
Location: Independence County, Arkansas  
Land Holder: Citizens Investment Tract, Inc.  
Sequestration Rights: PowerTree Carbon Company, LLC (contractual agreement)  
Term of Agreement: 100 Years

### **Section 300.3 Defining the reporting entity**

PowerTree Carbon Company, LLC (hereafter PowerTree) is the reporting entity and is a legal distinct business (LLC)

### **300.4 Organizational boundaries for registering**

PowerTree's organizational boundaries would be defined using Section 300.4 (b) (2) using financial interest and operational control (Implementer) of afforestation activities located on third party lands.

### **300.5 Submission of an entity statement**

- (a) **PowerTree** would be a Small emitter and would register reductions.
- (b) **PowerTree** would choose 2003 as its start year.
- (c)(1) **PowerTree** as a result of (a) above, determined/documented that it is a small emitter by submitting an estimate of its emissions during its chosen start year (2003).
- (c)(3) After starting to report, **PowerTree** would certify annually that its entity boundaries have not changed significantly since its previous report.
- (e) When a small emitter that intends to register reductions first reports, it must provide the following:
  - (e)(1) The name to be used to identify it.
  - (e)(2) A description of the legal basis for the reporting entity. **PowerTree will provide its operating agreement.**
  - (e)(3) An identification of the entity's control over the activities covered by the entity's reports if other than financial control - **PowerTree would have established this as "financial interest" under 300.4 (b) (2) and (3) above.**
  - (e)(4) The names of any parent or holding companies, the activities of which will not be covered by the entity's reports.
  - (e)(5) An identification or description of the primary economic activities of the entity, such as agricultural production, forest management or household operation – **PowerTree would identify itself as a forest carbon sequestration project implementer and manager, as its primary financial interest activity.**
  - (e)(6) An identification or description of the specific activity (or activities) and the emissions, avoided emissions or sequestration covered by the entity's report –

***PowerTree would identify and describe its activities as forest carbon sequestration from afforestation projects.***

- (e)(7) A certification that, to the best of the certifier's knowledge, the direct greenhouse gas emissions and sequestration in the entity's report are not included in reports filed by any other entities reporting to the 1605(b) program. ***PowerTree would certify that its emissions and reductions will not be included in reports filed by any other entities.***
- (e)(8) Identification of the start year – ***PowerTree would have established this above under (b) as well as here which would be 2003.***

### **300.6 (a) and (b) Emission inventories**

***PowerTree has average annual emissions of less than 10,000 metric tons of CO<sub>2</sub>, and is therefore eligible to register emission reductions associated with specific activities without also reporting an inventory of its total emissions. PowerTree would have to use methodologies for estimating net emission reduction or carbon sequestration that result in a quantity-weighted average data quality rating of at least 3.0.***

### **300.7 Net emission reductions**

***PowerTree*** qualifies as a small emitter and therefore may use the special procedures in paragraph (c) of this section.

#### **(c) Assessing emission reductions for entities with small emissions**

- (1) Entities with average annual emissions of less than 10,000 metric tons CO<sub>2</sub>, are not required to inventory their total emissions or assess all changes in their emissions, avoided emissions and sequestration to qualify for registered reductions. These entities may register emission reductions that have occurred since 2002 and that are associated with one or more specific activities, as long as they:
  - (i) perform a complete assessment of the annual emissions and sequestration associated with each of the activities upon which they report, using methods that meet the same data quality requirements applicable to entity wide emission inventories and ***(PowerTree only reports on afforestation or forestry activities).***
  - (ii) determine the changes in the emissions, avoided emissions or sequestration associated with each of the activities. ***(PowerTree reports on sequestration associated with the afforestation activities for which it has financial interest or operational control.)***
- (2) An entity reporting as a small emitter must report on one or more specific activities and is encouraged, but not required to report on all activities occurring within the entity boundary. ***The example cited clearly shows that PowerTree would only have to report on one activity e.g., forest sequestration in which it has financial interest and operational control.***
- (3) A small emitter must also certify that the reductions reported were not caused by actions likely to cause increases in emissions elsewhere within the entity's operations.

*(PowerTree would certify that the reductions reported would not likely cause increases elsewhere within PowerTree's operations).*

- (d) Net emission reductions achieved by third parties (offset reductions or emission reductions submitted by aggregators) *This assumes PowerTree is an Aggregator, if so, then PowerTree must include in its report, all of the information on the third party including an entity statement, an emissions inventory when required, an assessment of emission reductions and appropriate certifications that would be required if the third party were directly reporting to EIA. This would require a certification by the third party indicating that it has agreed that the reporting entity (PowerTree) should be recognized as the entity responsible for any registered reductions and that the third party does not intend to report directly to DOE.*

*An emission inventory assessment of the entity which owns the land on which the White River Carbon Offset Project is located is as follows: The White River Carbon Offset Project is located on land owned by the Citizens Investment Tract Inc. which is a legal entity. The property has designated boundaries and currently encompasses 1,920 acres. Land use breakdown is; 1,100 acres planted to bottomland hardwoods for carbon sequestration; 114.6 acres in EWP bottomland hardwoods; 372.1 acres in constructed wetlands; 21.6 acres native vegetation; balance is in sloughs, wildlife food plots and some timberland. There are no other forestry activities taking place on the property.*

*Emissions related activities include: less than 80 gallons of gasoline used annually; all farming activity has been ended; management of the tract is conducted out of the Citizens Bank of Batesville, AR., therefore electric usage is minimal. Any other information requested was not supplied as it was considered proprietary.*

*Carbon stock changes in forestry activities include: 1,100 acres of newly planted bottomland hardwoods (by PowerTree) which is sequestering 902 tons of CO<sub>2</sub>e annually and 114 of newly planted bottomland hardwoods (by CARC&D Council) which is sequestering 164 tons of CO<sub>2</sub>e annually. Emissions related to agricultural activities has been stopped which results in additional emission reductions.*

*The Citizens Investment Tract Inc. is a small emitter and has a net positive change in carbon stocks.*

*Therefore, PowerTree Carbon Company LLC will report a net emission reduction of 902 tons of CO<sub>2</sub> for this project for 2003.*

### **300.10 Certification of Reports**

*PowerTree officer certifies all reports submitted to EIA.*